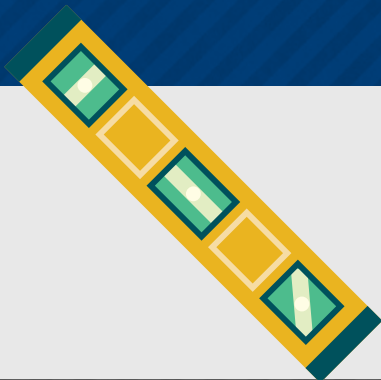




Build Your Financial Portfolio

The Nuts and Bolts of Stocks, Bonds and Mutual Funds



Do you know the components of a balanced investment portfolio? Learn about stocks, bonds and mutual funds.



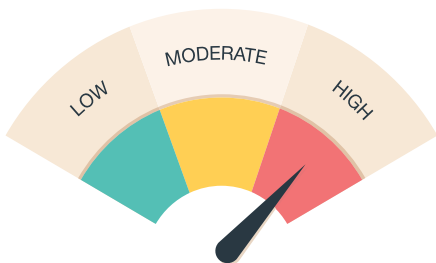
Stocks, bonds and mutual funds – what’s the difference?

Stock:



A share of ownership in a company that typically comes with investor or shareholder privileges

Risk level: An investment in stocks is generally higher risk for the individual investor, because it lacks diversification.



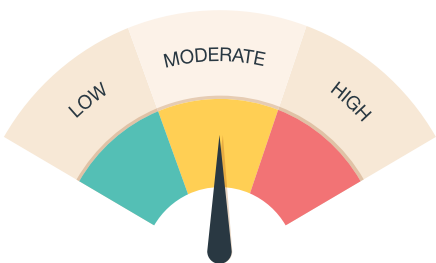
Average rate of return: 10%

Bond:



Money borrowed by an organization, with the original amount to be paid back in the future with interest

Risk level: A bond investment is typically more stable than a stock and can stabilize investment returns in a portfolio by offsetting stock market volatility.



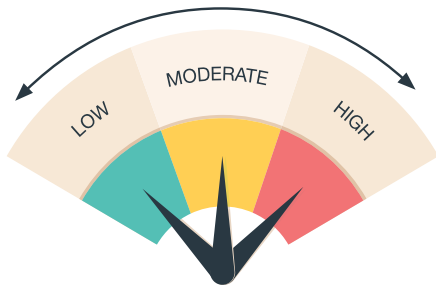
Average rate of return: 6%

Mutual fund:



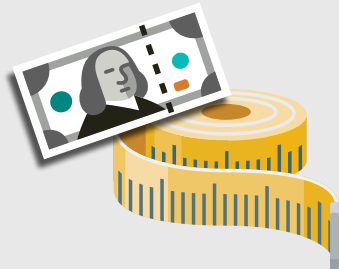
A diversified collection of investments, which may include stocks, bonds or other securities

Risk level: A mutual fund investment provides cost-effective professional management of a portfolio based on changing market conditions.



Average rate of return: Varies with the underlying investment mix

*Figures are average, estimated rates of return and can vary.



Design your investment mix.

You work hard for your money in the military. Invest in yourself by comparing your options.



Build a solid foundation.

- ➔ Start early in your military career and have compounding work for you.
- ➔ Diversify your investments to lower risk.
- ➔ Match risk and return over your military career and beyond.

You have accredited personal financial managers and counselors at your fingertips. Set up a no-cost appointment at your nearest Family Center to learn more about your investment options.



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